



DIVISION OF  
ENFORCEMENT

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
100 PEARL STREET, SUITE 20-100  
NEW YORK, NY 10004-2616

November 28, 2022

**By ECF**

Hon. Kenneth M. Karas  
United States District Court  
United States Courthouse  
300 Quarropas Street, Chambers 533  
White Plains, New York 10601-4150

Re: *U.S. Securities and Exchange Commission v. Bronson et al.*,  
12-CV-6421 (KMK)

Dear Judge Karas:

Plaintiff, Securities and Exchange Commission (“SEC”), objects to moving the hearing currently scheduled for December 12, 2022 in this matter, or limiting its scope. Asset dissipation, any potential to clawback improperly transferred assets, and the schedules of already subpoenaed witnesses necessitate that the hearing proceed.

As background, the SEC requested an evidentiary hearing for several reasons: (i) the Court’s Order Appointing a Liquidating Trustee was violated when the appointed Trustee was removed; (ii) the Court’s Order was violated when shares subject to the Liquidation Order were sold and/or used as collateral; (iii) Bronson, through Top Knot, generated \$2 million post—incarceration for contempt; (iv) the Bronsons spent \$2 million from the Top Knot account in the time period between Mr. Bronson’s incarceration mid-February 2022 and September 2022; and (v) Bronson has other sources of assets and income.

It appears indisputable that the Court-appointed Liquidation Trustee was removed unilaterally in a letter signed “John Kellas” and at least a portion of the Top Knot UMB account shares were sold and/or used as collateral. Bank records show that from the time Bronson was incarcerated, February 16, 2022, and September 30, 2022, Top Knot’s account x7379 received around \$2 million and disbursed about the same amount. The SEC continues to analyze these bank records.<sup>1</sup> So far, it appears that at least \$425,000 was transferred for the benefit of Dawn Bronson: for her mortgage, and personally, to a Webster Bank account and for her pawned jewelry. The account reflects checks or wires drawn for over \$378,000, withdrawals of around \$157,000, transfers to Paul Rachmuth of \$297,000, and payments of: \$27,935 for college tuition, \$26,135 in travel expenses, \$10,462 in drinks and dining, \$6,232 in retail, and \$2,841 in pet expenses.

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<sup>1</sup> The SEC can provide the summary exhibits and bank statements that support these calculations at the Court’s request.

It also appears from evidence developed that Mr. Bronson may have additional assets or income in the Caribbean and an account in Mexico into which records suggest Mr. Rachmuth wired funds from his escrow account.

For these reasons, the SEC respectfully requests that the Court deny the request to alter the hearing date or scope.

Respectfully submitted,  
*s/ Maureen Peyton King*